

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 L-03 NSC-10

COME-00 OMB-01 TRSE-00 CIEP-02 OPIC-12 AID-20 SS-20

SPC-03 CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01 /104 W

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O 081815Z JAN 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 4897

LIMITED OFFICIAL USE BUENOS AIRES 0165

E.O. 11652: N/A

TAGS: ECON, ETRD, EFIN, EIND, CU, AR

SUBJECT: CUBAN DENIAL POLICY AND CHRYSLER

REF: STATE 003029

1. LOCAL CHIEF EXECUTIVE OF CHRYSLER-FEVRE (LESHINSKY) INFORMS US THERE HAVE BEEN NO ACTS OR OVERT THREATS OF RETALIATION AGAINST CHRYSLER-FEVRE. HOWEVER, SUBJECT OF SALES TO CUBA IS BROUGHT UP AT EVERY MEETING HE HAS WITH MINISTRIES, CENTRAL BANK, ETC. HE REPORTS SUBJECT IS TREATED IN NON-THREATENING WAY, BUT WITH FIRM REMINDERS THAT CHRYSLER-FEVRE IS AN ARGENTINE COMPANY SUBJECT TO ARGENTINE LAW AND HAS OBLIGATION TO COMPLY WITH GOVERNMENT POLICY.

2. THERE HAS BEEN NO OCCASION FOR RETALIATORY ACTION SINCE CHRYSLER-FEVRE HAS BEEN FOR SOME TIME INVOLVED IN REASONABLY CORDIAL NEGOTIATIONS WITH CUBANS WHICH HAVE SHOWN STEADY PROGRESS. LESHINSKY TELLS US HE HAS STRUNG OUT THE NEGOTIATIONS AS LONG AS POSSIBLE, BUT FEELS HE IS FAST COMING TO POINT WHERE THERE WILL BE NO FURTHER EXCUSE FOR DELAY. GOA IS NOT LIKELY TO USE BLUNT

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INSTRUMENTS SUCH AS THREATS OR RETALIATION UNLESS

AND UNTIL IT BEGINS TO LOOK AS THOUGH CHRYSLER  
IS UNWILLING OR UNABLE TO GO THRU WITH CUBAN DEAL.

3. WE CONTINUE TO BELIEVE THAT BOTH CHRYSLER AND USG  
WOULD SUFFER IF CHRYSLER WERE NOT PERMITTED TO SIGN  
CONTRACT FOR A SALE OF VEHICLES TO CUBA. IN  
ADDITION TO INSTRUMENTS ALREADY IN HANDS OF  
GOVERNMENT (BANK CREDIT, CUSTOMS CLEARANCES, LABOR  
RELATIONS, ETC.), THE NEW AUTOMOTIVE INDUSTRY LAW (SEE BA 0051)  
GIVES THE GOVERNMENT A GREATER DEGREE OF CONTROL  
OVER THE OPERATIONS AND EVEN THE SURVIVAL OF  
AUTOMOTIVE COMPANIES. WE ARE NOT ABLE TO PREDICT  
WHICH OF THESE MANY INSTRUMENTS THE GOVERNMENT MIGHT  
CHOOSE TO USE AGAINST CHRYSLER-FEVRE, BUT WE DO NOT  
DOUBT THAT THERE WOULD BE SOME SERIOUS RETALIATORY  
ACTION. WE ALSO BELIEVE THE REACTION AGAINST THE  
USG WOULD BE SHARP.  
DECON 1-8-77.  
KREBS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUTOMOTIVE INDUSTRY, AGREEMENTS, FOREIGN INVESTMENTS, STRATEGIC TRADE CONTROLS, COMMERCIAL LAW, FOREIGN POLICY POSITION, NEGOTIATIONS  
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**Disposition Approved on Date:**  
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